1: Anonymous U-4 (no date) 1938 RB1 Baltic States RB1

APPENDIX II

COMMUNICATIONS

504 The Baltic States as a whole are not remarkably well provided with communications. It is true that both Estonia and Latvia each possess one harbour of great importance, viz. Tallinn and Riga, and a number of other ports, but Lithuania's seaboard is small and her sovereignty 496 over her only harbour, Memel (Klaipeda), is limited. On the other hand, nearly all the railways at present in use were built in the days of the Russian Empire, often with strategic considerations in view, and it is, therefore, not surprising that the railway system is not well adapted to meet the requirements of three independent States. Though there are hardly any natural obstacles such as mountains, the adapting of the railways to their national requirements since the War has been limited 494 by the scarcity of capital. Finally, the road system inherited from Imperial Russia was poor, though it has been somewhat improved since the War.

(1) *Shipping*

505 The relative importance of the most important harbours can be judged from the following figures:

Shipping entered (in thousand net registered tons) in 1937, including coastal traffic

Riga	1,243
Tallinn	957
Memel	845
Ventspils	325
Liepāja	296

Most of the shipping entering these ports is foreign except in the case of Latvia. Of the total net registered tons of shipping entering the principal Latvian ports in 1937 about 29 per cent. was German, 26 per cent. Latvian, 11 per cent. Danish, and rather less British, while the next most important flags were Swedish and Norwegian.

The merchant fleets of Estonia and Latvia are small, and for the most part are chiefly occupied in local transport. That of Lithuania is at present of negligible importance. The total tonnage of merchant vessels[1] owned by Estonia on June 30, 1936, was 155,000 tons, and that of Latvia 170,000 tons, in each case nearly all the vessels being steamers. During 1937 the Latvian Government assisted in the formation of a shipping company, which has decided to order two modern cargo boats of 2,000 tons gross each to start a passenger and goods service between Latvia and British and German ports, and in other ways the Government has given much assistance to Latvian shipping. Proposals are made from time to time in Lithuania with a view to the foundation of a merchant fleet, but the only important step so far taken in this direction has been the purchase in 1935 of some small ships by the *Maistas* co-operative association. The Baltic ports are served by a number of

[1] Of 100 tons and over.

505 regular sailings of British, German, Finnish, and Scandinavian lines. Of these may be mentioned the United Baltic Corporation, which maintains weekly services between London and Memel, Riga, and Tallinn.

504 The ports of Riga and Tallinn are blocked by ice in the winter months, especially February and March, but in each case channels for steamers are kept open by ice-breakers. While Latvia's trade is thus subject to disorganization, Liepāja and Ventspils are generally free of ice and consequently do a considerable trade in the winter, although accommodation in the ports is limited. Moreover, plans are at present being considered for the further development of a river harbour on the Lielupe at Jelgava. On the other hand, congestion in Tallinn can be relieved only by the use of the small ports of Narva-Joesuu, Pārnu, and Paldiski. Memel also is blocked by ice in winter, though an ice-breaker is used. Communication can, however, be maintained through the Latvian port of Liepāja. It may be mentioned that for some years the Lithuanian Government has been attempting to develop a small fishing village, Sventoji, near the Latvian frontier, with a view to providing an alternative port to Memel, though progress in this direction has not so far been great.

(2) *River Navigation*

133 Estonia has few navigable waterways, the Narva, which connects
489 Lake Peipus with the sea, being perhaps the most important. Both Latvia and Lithuania, however, possess rivers which are indispensable for the moving of timber. The principal navigable rivers in Latvia are the Daugava, the Gauga, and the Lielupe; in Lithuania, the Niemen (Nemunas). A canal joins the Niemen to the Bobr, which flows into the Narew, a tributary of the Vistula. The canal is, however, in Polish territory. The Berzune, a tributary of the Niemen, is also joined to the Daugava by a canal. Finally, it should be remembered that most, if not all, of the inland waterways of these countries are closed by ice for three to four months of the year.

(3) *Railways*

● 496 As already mentioned, the railway system inherited from Russia bore little relation to the new national requirements. For example, Russia had no object in linking Memel to Kovno, since Memel was in Germany, and Russia had built Libau expressly to be independent of German communications. Moreover, many of the lines were built (or not built) for purely strategic reasons, and nearly all were of the broad Russian gauge. It was natural, too, that they tended to radiate from centres in Russia with which, as has been seen, the Baltic States were to trade far less than before the War. Finally, the War had led to the wholesale destruction of stations, bridges, and other buildings, and even to the removal of locomotives and rolling-stock. Thus, the problems with which the new States were faced were considerable.

493 Reconstruction began soon after the War. In almost every case the
727 railways were taken over by the State. The amount of repairs which

had to be undertaken, both to the permanent way and to rolling-stock, was large. In some instances it was necessary to lay fresh lines, and where funds could be obtained this was done. By 1930 considerable progress had been made, though the state of the permanent way is often so bad that the times taken even by fast trains over easy ground is comparatively slow.

In August 1924 a railway conference between Estonia, Latvia, and the U.S.S.R. resulted in the decision to unify the existing separate railway conventions on the basis of the International Convention of Berne, and in the signature of nine technical conventions. On October 29, 1925, a convention relating to railway transit traffic was concluded by the same three Powers.[1]

In Estonia on April 1, 1936, there were 891 miles of railway, of which 473 miles were broad gauge, and 418 miles narrow gauge. As much as 254 miles of railway had been constructed since the War. A considerable saving in the running of the railways is now effected by the burning of shale-oil.

In Latvia the post-War difficulties were complicated by the fact that during the German occupation most of the permanent way had been converted to normal or narrow gauge; whereas, if Latvia were to recover her transit trade with Russia, many of the lines would have to be reconverted to Russian gauge. In April 1936 there were 2,023 miles in use, 1,214 miles being of the broad gauge and 198 miles of the normal gauge, the latter relating chiefly to the lines connecting Latvia with Central Europe. In recent years there has been a considerable amount of fresh construction,[2] though none of the lines completed appears to be of outstanding importance.

Lithuania's difficulties were fully as serious as those of Latvia, for Lithuania also had been occupied by the German forces. Moreover, the existing network of railways was far less suited to the requirements of the new State than in the other two cases. The most important of these deficiencies, however, was eliminated by the completion, in 1932, of the only really important piece of fresh construction in the Baltic States since the War, the Siauliai–Telsiai–Kretinga Railway.[3] At the end of 1934 there were 1,152 miles of railway in existence, of which 797 miles were broad gauge.

The comparative position of the three countries can be seen from the following table:

	Square miles of total territory per mile of railway in use	*Millions of ton-kilometres of goods carried by railways in 1936*
Estonia . . .	21	225
Latvia . . .	13	380*
Lithuania . .	19	280

* Excluding transit traffic in foreign trains.

[1] For text see *League of Nations Treaty Series*, vol. lxvi, p. 147.

[2] Details are given in D.O.T.: *Economic Conditions in Latvia, January 1935*, publ. 1935, pp. 33–4.

[3] For the importance of this railway, see p. 101

496 The main line linking the Baltic States to Central Europe is that running from Berlin to Tallinn via Poznan, Tilsit, Siauliai, and Riga. The other important line running north and east, from Warsaw to Leningrad via Grodno and Vilna, is of little real importance to these States, though it passes through Latvian territory via Daugavpils. Connexions with Russia, on the other hand, are good. There are important lines connecting Leningrad with Tallinn and Riga, Moscow with Liepāja via Jelgava, with a branch to Riga, and southern Russia with Liepāja via Minsk, Vilna, and Kaunas, with a branch to Koenigsberg via Kaunas. In general Latvia has, perhaps, the most extensive system, followed by Estonia, while that of Lithuania is poor. Kaunas, in particular, is badly served for a capital city, and Siauliai would seem to be the railway centre of the country.

(4) *Roads*

491 In general the road system taken over from the Russian Empire was, 499 like the railways, poor; and had also been greatly affected by the War. For several months of the year the roads are under snow and, even after the snows have gone, suffer from the effects of the thawing. Much progress has, however, been made since the War in improving the conditions of the metalled road system and in constructing fresh metalled roads. In Estonia, for example, the State has taken over completely the maintenance of the principal roads and has set up a Road Fund for this purpose, its revenue coming from subsidies and certain specific taxes.[1] At the same time the development of motor transport is hindered by the fact that both the vehicles and the fuel must be imported, though Estonia, it is true, can eventually use shale-oil as a substitute for petro- 493 leum. In recent years the import of vehicles has been much encouraged by a lowering of import duties in Estonia and Lithuania. The total number of motor vehicles in 1936 was as follows:

	Estonia	*Latvia*	*Lithuania*
Cars	2,560	2,512	1,338
Lorries	1,620	1,963	387
Omnibuses	245	267	282
Motor-cycles	1,401	2,193	1,116

(5) *Aviation*

503 No regular passenger or postal services are maintained by these countries. Regular services to the three capital cities are maintained during most of the year by German (*Lufthansa*), Finnish (*Aero O.Y.*), or Polish (*Lot*) lines. Thus Tallinn is connected with Helsinki and Leningrad, while a Polish line maintains a service from Warsaw, and a German line a service from Berlin, to Tallinn and Riga. The German line halts at Kaunas. All three countries were included in the arrangements made by the British General Post Office in the summer of 1937 for the introduction of air mail services from the United Kingdom.

[1] See D.O.T.: *Economic Conditions in Estonia, December 1935*, publ. 1936, p. 25.